

**Testimony In Support of Bill No. 1042
by**

**Ann M. Catino, Esq., Halloran Sage
&
Gary B. O'Connor, Esq., Pullman & Comley**

Co-Chairs, State's Brownfield Working Group

Public Hearing, February 23, 2023 of the
Commerce Committee

In Favor of Proposed Raised Bill No. 1042 ACT AUTHORIZING THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO PROVIDE CAPACITY BUILDING GRANTS TO CONNECTICUT BROWNFIELD LAND BANKS.

Attorneys Ann Catino and Gary O'Connor have each practiced in the area of environmental law and real estate development for over thirty years. We have been chairing the Brownfield Working Group since it was first created as the State's Task Force on Brownfield Strategies seventeen (17) years ago through Public Act 06-184. The Task Force was first authorized by the General Assembly to address the derelict, abandoned and long forgotten properties that plague every municipality in our state and no longer contribute to the vitality and economy of the town or City. Our job was to propose long-term solutions for addressing and cleaning up these Brownfields and restoring them to productive reuse. Specifically, the Task Force was charged with proposing new incentives and programs to stimulate investment and the rehabilitation of Brownfields. We issued our first Report to the Commerce and Environment Committees in February 2007. Since that time, our Working Group was renewed every year and, through legislation codified at C.G.S. § 32-770, the Working Group was created as a standing working group, continually charged to work with DECD, DEEP, and other stakeholders to address and monitor Brownfield redevelopment, the efficacy of the programs that were created, and to continually analyze not just the effectiveness of the programs but to take proactive steps to stymie further Brownfield creation.

While we have seen many successes, we continue to meet to be your eyes and ears, and to determine whether the programs are (or are not) working and to determine what more needs to be done and when. We are the legislatively mandated advocates for the proper redevelopment of Brownfield properties and to make recommendations to you regarding improvements to the State's brownfield programs.

Examples of the initiatives we proposed and the new laws that were passed virtually every year broke ground on many new and innovative programs. New initiatives included:

- Establishment of the Office of Brownfield Remediation and Development (OBRD) as a “one stop shop” for all Brownfield programs and assistance.
- New grants and loan programs were established targeted at new developers and municipalities.
- New Liability relief programs were developed and are administered by the DECD and DEEP including:
 - o the Abandoned Brownfield Cleanup Program
 - o the Brownfield Remediation and Revitalization Program
 - o the Municipal Liability Relief Program
- Creation of Brownfield Land Banks authorized to consolidate focus and expertise on a regional basis.

Under these various legislative initiatives, municipalities are empowered to pursue investigation and remediation of brownfield properties, with liability relief and various protections. They are authorized to apply for grants dedicated for brownfields and are allowed to investigate, acquire and remediate such properties and transition them to new owners. Such powers can certainly jump start evaluation of these properties prior to any foreclosure or other condemnation action. These programs have been a resounding success. By way of illustration, DECD reported to the Brownfield Working Group at our February meeting that over the past 10 years (FY2013-FY2022) DECD funded 259 projects, invested approximately \$225 million and leveraged approximately \$3 billion in investment in our state. 76 municipalities were favorably impacted through these programs. In the last two years, 70 projects in dozens of municipalities have been funded, with approximately \$62.5 million invested, leveraging approximately \$1.2 billion. 617 acres were involved. These are truly remarkable achievements.

While these figures represent resounding successes, municipalities can only do so much and the Working Group urged the legislature to authorize “brownfield land banks” and to provide the same advantages and opportunities that exist for municipalities to land banks. In brief, brownfield land banks were created per Public Act 17-214, two years before general land banks were authorized by the legislature. Land banks are authorized to acquire real property, maintain it and dispose it working in concert with municipalities either singularly or in concert with the region. Basically, to investigate, acquire and remediate land banks in 2019. Through Public Act 17-214, upon an approval process administered by DECD, brownfield land banks were authorized to consolidate expertise, acquire properties, investigate, and remediate them and transition such brownfield to redevelopment, with new owners, enjoying the same liability

protections and grant programs that are available to municipalities. Brownfield land banks were designed to develop the necessary expertise for one or, ideally, more municipalities that a single town may not possess. They were to develop staff, and knowledge on how to investigate and remediate properties to turn them into productive reuse. These sites are often complex, requiring a dedicated staff; otherwise, the property may languish until a municipality has the staff time and resources to devote to the brownfield.

Land banks, however, have struggled to form, due in part to the lack of resources that are necessary to develop the dedicated staff. This is particularly true in the regions of our State with smaller towns, who struggle to compete and develop the expertise necessary. Regional type landbanks for these areas are the answer. But, these brownfield land banks have not developed at a pace where they can be competitive, largely due to a lack of staff and resources. SB 1042 fills the gap and provides some financial assistance to jump start these fledgling organizations. SB 1042 provides funding to assist with the start up and administrative costs so that they may engage with municipalities and fill the gaps in some area. To guard against these funds being the sole funding resource, the bill does provide that the land bank demonstrate to DECD that it has matching funds, which is important to demonstrate that such land bank is needed and will be viable in the long run.

The Brownfield Working Group supports SB 1042 and urges its passage as it includes necessary changes to make our brownfield programs more robust and stronger, and to meet the needs of all our municipalities. It is another very important piece of the brownfields puzzle that exists in our State.

We are ready to meet with the Committee Chairs and any committee member to discuss any of the work of the Brownfield Working Group, the Brownfield initiatives, this bill and any questions at all regarding our Brownfield programs.

We THANK YOU for your attention to this very important initiative and for all the work the Committee has done for the past 17 years to support redevelopment of the brownfields in our State.